

## Message Text

UNCLASSIFIED

PAGE 01 STATE 303876  
ORIGIN ERDA-07

INFO OCT-01 EUR-12 ISO-00 OES-06 EB-07 ACDA-10 CIAE-00  
INR-07 IO-13 L-03 NSAE-00 NSC-05 NRC-07 FEAE-00  
DODE-00 /078 R

DRAFTED BY USERDA/AIA/IRDP:JVANDERRYN:CG

APPROVED BY OES/NET:HPKRATZER

OES/NET:MPROCHNIK

EB/ORF/FSE - DMARTIN

EUR/RPE - A.SENS

----- 013911 /41

O 151802Z DEC 76

FM SECSTATE WASHDC

TO USMISSION OECD PARIS IMMEDIATE

INFO AMEMBASSY BONN IMMEDIATE

UNCLAS STATE 303876

E.O. 11652:N/A

TAGS: TECH ENRGY

SUBJECT: U.S. PARTICIPATION IN EUROCHEMIC

1. REQUEST FOLLOWING LETTER, DATED DECEMBER 14, FROM ERDA  
ADMINISTRATOR SEAMANS BE DELIVERED TO DR. WOLF SCHMIDT-  
KUESTER, BMFT, WHO IS CHAIRINGMEETING OF EUROCHEMIC  
BOARD IN PARIS, BEFORE HIS DEPARTURE,LETTER IS ALSO BEING  
AIRMAILED TO SCHMIDT-KUESTER IN BONN.

"YOUR LETTER OF SEPTEMBER 27 REGARDING EUROCHEMIC'S  
PROPOSED INTERNATIONAL PROGRAM IS VERY MUCH APPRECIATED  
SINCE I PLACE PARTICULAR VALUE ON PERSONAL COMMUNICATION  
FROM YOU ON THIS KIND OF SUBJECT. I AM AWARE THAT AN AGRE-  
EMENT HAS BEEN IN EXISTENCE WITH THE EUROCHEMIC COMPANY FOR  
SOME TIME WHICH CONTEMPLATED ERDA ASSISTANCE IN THE CON-  
STRUCTION AND STARTUP OF THE FLUID-BED CALCINING PROCESS  
IN RETURN FOR THE RESULTS OF STUDIES APPLIED TO THE CON-  
DITIONING AND MANAGEMENT OF WASTES AT EUROCHEMIC.

WHILE THE PARTICULAR GOALS OF THE EUROCHEMIC COMPANY ARE  
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 STATE 303876

SOMEWHAT OUTSIDE OUR SPECIFIC PROGRAM INTEREST, WE APPRECIATE THE POTENTIAL BENEFITS OF SOME OF THE DEVELOPMENT PLANS INCORPORATED IN THE BASIC EUROCHEMIC PROGRAM AS WELL AS THE PROPOSED INTERNATIONAL PROGRAM, AND WOULD LIKE TO PARTICIPATE IF A SATISFACTORY ARRANGEMENT CAN BE FOUND. THESE ACTIVITIES CAN FORM PART OF AN EXPANDED INTERNATIONAL COOPERATIVE EFFORT IN WASTE MANAGEMENT RD&D, IN KEEPING WITH THE THRUST OF OUR DISCUSSIONS LAST JULY IN DENVER. I FULLY AGREE WITH YOUR STATEMENT THAT THE CREATION OF THE PROPOSED INTERNATIONAL R&D PROGRAM WOULD DEPEND ON WILLINGNESS OF ALL INTERESTED OECD COUNTRIES TO CONTRIBUTE FINANCIALLY ON AN EQUITABLE BASIS. IT IS OUR VIEW, HOWEVER, THAT THE EQUITY PRINCIPLE IS FULLY CONSISTENT WITH A SIGNIFICANTLY HIGHER VALUATION OF THE ASSISTANCE WE ARE PREPARED TO RENDER IN THE FLUID-BED CALCINER PROCESS. INDEED, I BELIEVE YOU INDICATED THIS IN DISCUSSIONS WITH SENIOR ERDA STAFF IN DENVER WHEN YOU ACKNOWLEDGED THAT THE U.S. TECHNOLOGY AND TECHNICAL ASSISTANCE EFFORT WOULD BE FULLY TAKEN INTO CONSIDERATION IN EVALUATION OF OUR CONTRIBUTION TO THE INTERNATIONAL PROGRAM.

AS WE UNDERSTAND THE PROPOSED FUNDING FORMULA FOR THE EUROCHEMIC INTERNATIONAL PROGRAM, THE CONTRIBUTION REQUESTED OF THE UNITED STATES WOULD TOTAL APPROXIMATELY \$2,900,000 INCLUDING THE ENTRANCE FEE TO NONMEMBERS. YOUR LETTER PROPOSES THAT THE UNITED STATES PARTICIPATION SHOULD BE THE PROVISION OF AN OPERATIONAL FLUID-BED PROCESS PLUS \$2,000,000 CASH. SINCE WE ESTIMATE SPENDING \$900,000 TO SUPPORT THE ASSISTANCE EUROCHEMIC HAS REQUESTED FOR FLUIDIZED-BED DESIGN, CONSTRUCTION AND STARTUP, THIS ESSENTIALLY GIVES ZERO VALUE TO OUR TECHNOLOGY AND THE TOTAL INVESTMENT WILL REACH APPROXIMATELY \$117,000,000 BY 1981. YOU CAN UNDERSTAND WHY WE HAVE A PROBLEM WITH YOUR PROPOSAL.

THE ENERGY RESEARCH AND DEVELOPMENT ADMINISTRATION IS WILLING IN PRINCIPLE TO CONSIDER FINANCIAL CONTRIBUTION TO THE EUROCHEMIC INTERNATIONAL PROGRAM EVEN THOUGH WE BELIEVE WE HAVE A RIGHT TO MUCH OF THE FUTURE RESULTS OF THIS EFFORT UNDER OUR 1973 AGREEMENT. THIS WILLING-UNCLASSIFIED

UNCLASSIFIED

PAGE 03 STATE 303876

NESS IS CONDITIONED UPON AGREEMENT ON A FORMULA WHERE THE TOTAL CONTRIBUTION OF THE UNITED STATES, INCLUDING A REASONABLE EVALUATION OF THE FLUID-BED PROCESS, CAN BE

DEMONSTRATED TO BE IN EQUITABLE PROPORTION TO THE CONTRIBUTION OF OTHER PARTICIPANTS IN THE PROGRAM. FURTHER, THE FULL LIABILITY OF THE U.S. WOULD BE LIMITED TO THE CONTRIBUTION DECIDED ON AT THE OUTSET OF THE PROGRAM.

FINALLY, THE UNITED STATES WOULD DISTRIBUTE ITS PAYMENTS OVER A SEVEN-YEAR PERIOD DURING WHICH THE PROGRESS AND THE POTENTIAL UTILITY OF THE WORK TO THE UNITED STATES WOULD BE EVALUATED ANNUALLY IN CONNECTION WITH THE USUAL UNITED STATES GOVERNMENT BUDGET CYCLE.

I AM INSTRUCTING MY STAFF TO EXPLORE WITH THE APPROPRIATE EUROCHEMIC REPRESENTATIVES IF MEANINGFUL NEGOTIATIONS ON THIS MATTER CAN BE INITIATED AT THE EARLIEST POSSIBLE TIME. IF FINANCIAL PARTICIPATION BY THE UNITED STATES IS A PREDOMINANT CONSIDERATION, I AM PREPARED TO INSTRUCT MY STAFF TO CONSIDER AN ALTERNATIVE APPROACH WHEREBY OUR PARTICIPATION IN THE INTERNATIONAL PROGRAM WOULD BE NEGOTIATED SEPARATELY FROM THE PROVISION OF FLUID-BED TECHNOLOGY.

RECOGNIZING THAT A HEALTHY COOPERATIVE ARRANGEMENT IS BASED UPON A SOUND UNDERSTANDING OF ALL PARTIES SELF-INTEREST, I HOPE YOU WILL SEE FIT TO CONTINUE THIS DIALOGUE TO FIND A FORMULA WHICH IS AS EQUITABLE TO THE UNITED STATES AS IT IS TO THE EUROCHEMIC BOARD, AND WHICH ALSO CONTRIBUTES TO THE BROADER INTEREST OF ALL OF US TO DEMONSTRATE ACCEPTABLE MEANS OF TREATMENT AND DISPOSAL OF HIGH-LEVEL WASTE." KISSINGER

UNCLASSIFIED

NNN

## Message Attributes

**Automatic Decaptoning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** DIPLOMATIC COMMUNICATIONS, NUCLEAR COOPERATION PROGRAMS, FINANCIAL CONTRIBUTIONS, NUCLEAR RESEARCH  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 15 DEC 1976  
**Decapton Date:** 01 JAN 1960  
**Decapton Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1976STATE303876  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** JVANDERRYN:CG  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D760462-0033  
**From:** STATE  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1976/newtext/t19761240/aaaabifx.tel  
**Line Count:** 139  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ORIGIN ERDA  
**Original Classification:** UNCLASSIFIED  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 3  
**Previous Channel Indicators:** n/a  
**Previous Classification:** n/a  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** schwenja  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 21 MAY 2004  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <21 MAY 2004 by hattaycs>; APPROVED <23 AUG 2004 by schwenja>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
04 MAY 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** U.S. PARTICIPATION IN EUROCHEMIC  
**TAGS:** TECH, ENRG, US, EUROCHEMIC, (SCHMIDT-KUESTER, WOLF), (SEAMANS, ROBERT)  
**To:** OECD PARIS  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006